

TO: FSA Staff
FROM: Kay Jacks, Acting Chief of Staff
DATE: October 21, 2002
RE: Travel and budget guidance

Over the course of the last month, Terri Shaw and the FSA senior leadership have been holding extensive meetings to develop FSA's FY 2003 performance plan and budget. We are looking very closely at all of our program operations and modernization initiatives to see where we can economize and do things more efficiently with reduced resources. Although we have not finalized our performance plan and budget, allocations have been entered into the system so that FSA organizations can fund continuing operations. These interim budget allocations are not final. Therefore, until the plans and budget are finalized, Terri has asked her management team to exercise rigorous budgetary restraint on the part of all FSA staff members, **but not at the risk of paralyzing program operations**. Terri has put forth the following guidance regarding certain types of expenditures:

- **CONTRACTS.** Approximately 73% of FSA's annual budget is to fund contracts to perform operational and support activities. When considering the need for new contracts, or other new initiatives, such as system enhancements under an existing contract, please ask yourselves the following questions:
 - How urgent is the activity?
 - Can we delay this item or activity?
 - What is the consequence of not spending money on this item?
 - What benefit is realized from proceeding with the activity?

When the Management Council finalizes its decisions on the performance plan and budget, the Budget Support Division will provide approved funding levels for the first quarter of FY 2003. Please restrict spending for your operational contract activities to the approved levels, and look for opportunities to spend less.

All non-operational expenditures on contracts, including enhancements, **must be approved by a General Manager/Enterprise Office Director (NOT their designees), or, in the case of the Financial Management System, by the Chief Financial Officer**. These approvals are required regardless of whether you believe that you have money available, even if that money is from prior years. System owners must ensure that their General Manager/Enterprise Office Director has approved all enhancements, and is fully aware of all cost implications and benefits from doing the work prior to proceeding.

- **TRAVEL.** On October 10, I sent you a message outlining some temporary guidelines on travel by FSA staff during FY 2003. To reiterate:
 - You may proceed with:
 - any pre-scheduled commitments made for conferences that will be held through the end of October provided that you are presenting, working in a booth, or performing other approved assigned duties;
 - travel plans that have been approved by your General Manager/Enterprise Office Director (such as approved plans for Financial Partners or Case Management and Oversight) ;
 - FSA-sponsored training where the traveler is presenting, including preparation for training and/or content development;
 - Electronic Access Conferences, as long as you are presenting, working in a booth, working in the computer lab, assisting with registration or other conference logistics, or performing other approved assigned duties;

- travel related to systems lifecycles (including EDEExpress) that relates to system/software development, testing, monitoring, etc.;
- visits to contractor work sites;
- visits to schools to assist them in reconciling their use of Title IV funds, if approved by Ron Ackermann in the Schools Channel; and
- travel related to conducting training on Common Origination and Disbursement, as maintained by Demetrius Windom in the Schools Channel.
- To ensure that **future** conference attendance supports FSA's strategic and performance plans, such attendance **MUST BE APPROVED BY YOUR GENERAL MANAGER/ENTERPRISE OFFICE DIRECTOR (or their designee)**, and a copy of the approval must be sent to Jeannette Zink, who will assist me in compiling a list of other types of activities or events that may necessitate travel by FSA staff. Please do not make commitments to future conferences without approval.
- If you have travel that is not related to the categories listed above, but believe it is essential, please send your request for consideration to the Director of your organization with a copy to Jeannette Zink.
- **I want to emphasize emphatically that you may not be reimbursed for travel that you take that is outside of the guidelines specified above if that travel has not been approved by your General Manager/Enterprise Office Director (or their designee), since you will not be considered to have been on official travel.**
- **PURCHASES.** As with travel and contracts, we want each of you to look closely at expenditures for other items. Again, we don't want to be so restrictive that approved program operations are hampered, but we urge you to ask yourselves the same questions mentioned above when considering purchases.
 - **Small Purchases of \$2,500 or less.** You should only make these purchases if they are critical to the continued day-to-day operations of your organization (e.g., copier paper, cartridges for printers, etc.), and please do not order more than you will need for the near future. Also, you are expressly not permitted to do multiple small purchases to circumvent the \$2,500 limit. **You do not need to obtain approval** from your General Manager/Enterprise Office Director (or designee) for these small purchases. However, we will be reviewing monthly IMPAC card statements to identify any possible unnecessary purchases.
 - **Purchases of more than \$2,500.** All purchases of more than \$2,500 **must be approved by your General Manager/Enterprise Office Director (or designee).**

As we finalize FSA's FY 2003 performance plan and budget, we will be providing further guidance to you on these topics and others. In the meantime, let's all work together to identify areas where we can economize. If you have suggestions for ways in which we can do things more efficiently or economically, or things that we don't need to do at all, please share this information with your General Manager/Enterprise Office Director, Jeannette Zink, and me. Thank you very much for assisting the management team as we prioritize our work and spending to deal with our reduced resources.